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How can rural producers in Africa become more competitive in the face of globalisation and supply chain integration?

Working group on horticulture agribusiness

Study case presented by Prof. Bruno SCHIFFERS (COLEACP/PIP) :

The Pesticide Initiative Programme managed by COLEACP helps rural producers in ACP countries to stay competitive in the face of globalisation and supply chain integration and to cope with the present and future challenges imposed by food safety regulations and commercial requirements

1. Background

Some 480,000 tonnes of fresh fruit and vegetables are exported yearly to the European Union (excluding bananas and South Africa), with import value of around €900 million. It is estimated that the sector provides a living, directly or indirectly, for **7 million people**, mainly **small scale farmers**.

For several years the European Union (EU) has undertaken an overall revision of **food safety** legislation in the aim to ensure a high level of consumer protection. These rules cover products both produced in Europe and imports. Among the requirements imposed by European regulations, consequently also applicable to products from the ACP countries, particularly stressed is the obligation to respect Maximal Residue Limits (**MRL**) for pesticides set by European authorities, and rules on food safety and traceability.

The European Union's concern to ensure better consumer health protection is legitimate but in ACP countries, the sector of fresh fruit and vegetable exports is therefore faced to the growing demand of European distributors in terms of quality and safety of products they sell (vegetables and exotic fruits). Indeed, to avoid any risk, importers will rely on ACP suppliers that can prove that they are compliant with EU regulations. Having regard to the objectives of the ACP-EU Partnership Agreement signed in Cotonou on 23 June 2000 in the area of trade and poverty alleviation, the importance of an economic and social development of ACP producers through exports can easily be demonstrated.

Considering that it is imperative for ACP producers and exporters to comply with these regulatory and commercial requirements as soon as possible, the **Pesticides Initiative Programme (PIP)**, managed by **COLEACP** - an interprofessional network promoting sustainable horticultural trade-) was set up by the European Commission at the request of the ACP Group of States to meet these challenges.

2. Objectives of the PIP programme

An ACP-wide support programme, aiming to achieve two main objectives:

1. to enable horticultural production/export companies in ACP countries to achieve sustainable conformity with European food safety requirements, so as to consolidate their share of the fresh fruit and vegetable market in Europe;
2. to safeguard the position of small-scale producers in the ACP horticultural export sector.

In this context, the PIP has developed specific support actions which target hundreds firms and some **100,000** small-scale producers spread over **20 ACP countries**.

3. Organisation of the PIP programme

- *Capacity Building Component*, to strengthen the company environment (local consultants, labs, task forces, smallholders relay, professional organisations, public bodies);
- *Good Company Practices Component*, to improve company practices by implementing permanent systems

(Food Safety Management systems, Traceability systems, Training systems for in company staff and outgrowers, Technical assistance systems for outgrowers);

- *Regulation Component* to influence the EU Regulation with specific needs of ACP crops and to support ACP Regulation adjustment process;
- *Communication and Information component* to provide information and share experiences inside and outside the programme (magazine, newsletter, website, press relations).

4. Training tools and training of trainers in ACP States, to sustain the rural development in ACP states

In order to support training in the horticultural sector, PIP experts have developed educational tools customised to the circumstances of ACP companies. Technical manuals, training brochures, visual tools for role-play, puzzles, etc. have been designed to inform and train the various beneficiaries of the programme including local service providers, technical managers, farm workers and smallholder outgrowers who supply the export companies.

5. Key figures of PIP programme: all indicator lights are green... but new challenges are emerging

To date, the programme's overall rate of implementation amounts to **81.6%** of the total budget allocated by the European Commission. This result compares favourably with the duration for which the programme has already run, namely **81%** of the total period of 84 months set by the additional agreement.

Another satisfactory indicator: **88%** of ACP-EU fruit and vegetable operators are covered by the programme.

Thanks to its successful experience-building capacity in ACP countries, the programme has gradually replaced European expertise with ACP expertise, thus guaranteeing the sustainability of

the cooperation actions implemented by the COLEACP.

The share of **ACP expertise**, compared to European, **has risen from 20%** in 2002 **to 85%** in 2007.

New challenges are still emerging for ACP small producers, who have to cope with ever growing requirements from their European clients.

6. Perspectives

What can be hoped for in 2008, which is already just around the corner? The **COLEACP, working with the sector's professionals**, is busy looking for operational solutions to these new problems threatening access to the European market, which concern both the fruit and vegetable trade and sustainable cooperation between the European Union and ACP states.

Of particular importance are the **commercial standards** (Eurep-GAP and BRC). Eurep-GAP certification is now required by most of the big European retail chains even for developing country imports. Meeting the standards is expensive, and often smallholders find it very difficult to achieve and maintain certification.

Producing fresh fruit, vegetables or flowers for export to the EU cannot be proposed as a unique solution for all ACP small-scale producers. However, this does not mean that this sub-sector of the industry must be neglected for, in addition to its impact on income and jobs in rural areas, presently irreplaceable, it is also a main vector for **knowledge transfer** leading to high quality and competitive products, regardless their destination. COLEACP aims also to develop specific recommendations to improve the standards, and the way that they are applied in ACP countries, in order to minimise any negative effects.

